

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: DELAWARE

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

X Pregnant women with no other eligible children,
[For Delaware, this included women in their 9th month of pregnancy only.]

X AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.
[For Delaware, this includes individuals expected to graduate prior to age 19 only]

 In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modifications.

X In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications.

 The agency applies lower income standards which are no lower than the AFDC standards in effect on May 1, 1988, as follows:

 The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

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_____ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996, as follows:

X The agency uses less restrictive income and/or resource methodologies than those in effect as of July 16, 1996, as follows:

1. **The 30 and 1/3 disregard will be applied without regard to prior receipt of Medicaid, if otherwise applicable.**

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

Prior to 10/1/99, the net income test does not include the 30 and 1/3 disregard for applicant families.

2. For applicant families, income will be disregarded in an amount equal to the difference between 100% of the AFDC/TANF payment standard for the same family size and 100% of the AFDC/TANF standard of need for the same family size.

All earned income will be disregarded for the second and third months of eligibility.

The income and/or resources methodologies that the less restrictive methodologies replace are as follows:

Prior to 10/1/99, the net income test for applicant and recipient families includes all countable earned and unearned income.

3. For both applicant and recipient families, all resources are excluded.

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

Prior to 10/1/99, available resources cannot exceed \$1,000 for both applicant and recipient families.

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Less restrictive income and/or resource methodologies than those in effect as of July 16, 1996 - continued

4. *For both applicant and recipient families, all interest and dividend income is excluded.*

The income and/or resource methodologies that the less restrictive methodologies replace are as follows:

Prior to 10/1/99, interest and dividend income is counted for both applicant and recipient families.

_____ The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

 X The agency continues to apply the following waivers of provisions of Part A of title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

Delaware's 1115 Demonstration Waiver for Welfare Reform, A Better Chance (ABC), was approved on May 8, 1995 and serves as the State's TANF Plan effective 3/10/97.

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State DELAWARE

ABC Waiver Income and Resource Rules - More Liberal than AFDC
Waiver Authority

- Section 402(a)(39) and various provisions of the regulations at 45 CFR §233.20(a)(3)(xviii): Deeming of Parental Income up to 200% of the FPL - to allow the State to have more liberal ways of counting the income of the parents with whom a minor parent lives. Applicants' net income must be at or below 100% of the FPL.
- Section 402(a)(38) and 402(a)(41) and various provisions of 45 CFR §206.10(a)(1), §233.100(a)(1), (2), & (3), and (c)(1)(iii) & (iv), and (c)(2)(i), and §233.101(a)(1), (2), & (3), and (c)(1)(iii) & (iv), and (c)(2)(i): AFDC - UP Requirements - to allow the State to eliminate AFDC-UP requirements in determining eligibility.
- Section 402(a): Fill-the-Gap Budgeting - to allow the State to use fill-the-gap budgeting for all income for recipient families (i.e., not applicants) to determine continuing eligibility and the amount of cash benefits. *[See explanation on next page.]*
- Section 402(a)(7)(B)(i) and various provisions of the regulations at 45 CFR §233.20(a)(3)(i)(B)(2): Vehicle Exclusion Limit - to allow the State to establish that the equity value, up to the annually indexed Food Stamp Program's fair market value of the primary vehicle, or up to \$1500 for secondary vehicles, will be excluded as a resource.
- Section 402(a)(7)(A) and various provisions of the regulations at 45 CFR §233.20(a)(3)(ii)(B): Unemployment Compensation - to allow the State to treat unemployment compensation received by an unemployed individual in a two parent family like other income and subtract it from the need standard, rather than the payment standard, in determining eligibility.
- Section 402(a)(7)(B) and various provisions of the regulations at 45 CFR §233.20(a)(3)(i)(B): Resources - to allow the State to exclude the cash value of life insurance policies.

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State DELAWARE

ABC Waiver Income and Resource Rules - More Liberal than AFDC

Waiver Authority - continued

- Section 402(a)(7)(A) & (B) and various provisions of the regulations at 45 CFR §233.20(a)(3)(i)(B) & (ii)(A): Income/Resources - to disregard from resources up to \$5,000 of funds in a Special Educational or Business Investment account. Interest earned on these accounts will be excluded from income as long as the interest remains in the account and the total does not exceed \$5,000. Funds withdrawn from the account for non-approved purposes will be considered income in the month withdrawn. Financial assistance received from school grants, scholarships, vocational rehabilitation payments, JTPA payments, and other educational-related loans or other loans that are expected to be repaid and other financial assistance that are intended for books, tuition, or other self-sufficiency-related expenses as defined by the State will not be counted as income.
- Section 402(a)(8)(A)(i) & (vii) and various provisions of the regulations at 45 CFR §233.20(a)(11)(i)(A) and (ii)(A): Student Earnings - to allow the State to disregard the earnings of dependent children, regardless of student status and without time limits, in determining the eligibility.

Fill the Gap budgeting revises the "A Better Chance" program eligibility and benefit calculation process so that families can retain more of their income. By having a standard of need which is greater than the payment standard, a "gap" is created. The difference between the family's income and the need standard is called the deficit. The State pays a percentage of the deficit up to a maximum benefit level or payment standard. This budgeting method is used when the family has income. The income source could be earned, unearned, or combined.

Three standards are used in financial eligibility calculations:

- *185% of the standard of need is used in the gross income test;*
- *the payment standard is used in the applicant net income test;*
- *the standard of need is used in the recipient net income test.*

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